Distr.
GENERAL

IDB.13/30
26 September 1994

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Thirteenth session
Vienna, 7-11 November 1994
Item 7 of the provisional agenda

INDUSTRIAL DEVELOPMENT COOPERATION AND CONSULTATIONS
(INCLUDING IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 47/153)

World Summit for Social Development - The Involvement of UNIDO

Report by the Director-General

Summary

Describes the preparatory process leading to the World Summit for Social Development, the role of industrialization in social development and the involvement of UNIDO in the Summit.

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Introduction

1. In its resolution 47/153 on industrial development cooperation, the United Nations General Assembly called upon organizations of the United Nations, in particular UNIDO, to take due account in their programmes, projects and activities, in the context of industrial development cooperation, of the commitments to further sustainable development. The proposed medium-term plan, 1996-2001 (IDB.13/19) and the report to the General Assembly on industrial development cooperation (A/49/347) submitted by the Director-General give evidence of UNIDO's commitment to that goal. In that context, the present report draws the attention of the Board to UNIDO's involvement in the preparations for the World Summit for Social Development.

I. PREPARATORY PROCESS FOR THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT

2. The General Assembly, in its resolution 47/92, decided to convene a World Summit for Social Development (referred to below as Social Summit) at the level of Heads of State or Government and Heads of Agencies to take place at Copenhagen, Denmark. The Social Summit shall be convened from 6 to 12 March 1995. It is the fifth in a series of world conferences organized by the United Nations in the first half of the 1990s:

The World Summit for Children (New York, September 1990);

The United Nations Conference on Environment and Development (Rio de Janeiro, June 1992);

The World Conference on Human Rights (Vienna, June 1993);

The International Conference on Population and Development (Cairo, September 1994);

The World Summit for Social Development (Copenhagen, March 1995);

The Fourth World Conference on Women (Beijing, September 1995).

3. In resolution 47/92, the General Assembly singled out three core issues to be addressed by the Social Summit in view of their paramount importance for social development. These core issues are:

V.94 26338 7894E

Distr.: 28 September 1994

(a) Enhancement of social integration, particularly of the more disadvantaged and marginalized groups;

(b) Alleviation and reduction of poverty;

(c) Expansion of productive employment.

4. The preparatory process for the Social Summit is being coordinated by a secretariat unit, located in the United Nations Department of Policy Co-ordination and Sustainable Development (DPCSD). The relevant substantive discussions take place in the framework of the Preparatory Committee for the World Summit for Social Development, which comprises all Member States of the United Nations, and all United Nations funds, programmes and specialized agencies. To date, this Preparatory Committee has held two sessions in New York (from 31 January to 11 February 1994 and from 22 August to 2 September 1994). In both, as well as in an intersessional inter-agency meeting held in May 1994 in Geneva, UNIDO has actively participated and submitted papers drawing attention to the instrumental role of industrial development in furthering social development. In the first session, the UNIDO contribution titled "Social development through industrial development" was issued as document A/CONF.166/PC/12/Add.15; in the second session, "Comments of UNIDO on the draft declaration and draft programme of action of the World Summit for Social Development" were issued as document A/CONF.171/PC/20/Add.9. Copies of the two documents are available with the Secretariat.

5. The third session of the Preparatory Committee will be held from 16 to 27 January 1995 in New York with the purpose of finalizing the draft programme of action.

6. UNIDO has established an internal steering committee for the Social Summit that will coordinate the further preparations and inputs of the Organization for the Summit itself, including a substantive UNIDO position paper and a number of promotional activities. This will be done in close consultation with a similar internal task force preparing the Organization's input for the Fourth World Conference on Women. A UNIDO delegation, headed by the Director-General, will attend the Social Summit.

II. INDUSTRIAL DEVELOPMENT AS A MEANS TO ACHIEVE SOCIAL DEVELOPMENT

7. In his address to the second session of the Preparatory Committee for the World Summit for Social Development, the Secretary-General of the United Nations stated that "economies must serve people. Economic growth should be a means to an end, not an end in itself. New development models should not only generate economic growth. They should distribute it equitably. They should empower people, not marginalize them. They should empower women in their role as dynamic agents of changes. They should provide job-led growth, not jobless growth. They must continue to replenish the natural heritage on which all life depends. The Social Summit can identify the policies, both national and international, needed to realize these goals."

8. In response to the call by the Secretary-General for socially sustainable economic development, UNIDO wishes to emphasize the particular role of industrial development in this respect. Specifically, the following aspects should be highlighted.

9. The capacities of the productive sectors, i.e. primarily agriculture and industry (including industrial services), to generate economic growth as well as to ensure its equitable distribution, bear fundamental importance for social development. In the discussion now evolving on a broad range of pressing social concerns, it needs to be borne in mind that neither national fiscal adjustments nor external concessional flows can furnish the scale of resources required to solve the overriding problems within an acceptable time frame. Only through the creation of productive employment opportunities can long-term solutions be found, with the private sector assuming an increasingly important role.

10. The mandate of the United Nations system to promote economic development must thus be made an integral part of the current concerns over social issues. Poverty alleviation, employment creation and social integration over the long term are dependent, inter alia, upon the patterns of economic development. These have various dimensions, including locational patterns, size patterns, technology choice, sectoral composition, industrial relations and many others which bear upon both the human and social costs and benefits of development processes.

11. Notwithstanding the predominance of agriculture in most developing countries, the gradual transformation of an agrarian society into an industrial economy is the most powerful mechanism for generating productive employment, increasing productivity and thus combating poverty. In this sense, industrial development is a vital means of achieving social development; it is not an end in itself. As the Preamble of the Constitution of UNIDO states: "Industrialization is a dynamic instrument of growth essential to rapid economic and social development, in particular of developing countries, to the improvement of the living standards and the quality of life of the peoples in all countries, and to the introduction of an equitable economic and social order". In pursuit of this mandate, the General Conference of UNIDO, at its fifth regular session in December 1993, adopted "equitable development through industrial development" as one of the five fundamental development objectives for UNIDO following its recent reform process.

12. The regional distribution of industrial activity within an economy takes on particular importance. Regionally dispersed industrial development can make a crucial contribution to reducing major income disparities, which are a frequent cause of social disruption and rural-urban migration. Special attention should be paid to small and medium manufacturing enterprises - which often process local resources and serve local markets - as sources of decentralized productive employment and entrepreneurship. Their integration, both through subcontracting arrangements with large enterprises and through cooperation of small producers, should be actively promoted.

13. In countries with a sizeable agricultural base, the effective linkage of agriculture and industry is of singular importance to both increasing agricultural productivity and inducing a broader transformation of a country's economy. Both agro-based industries (i.e. those industries processing agricultural produce) and agro-related industries (i.e. those providing inputs, implements and machinery) offer great scope for small-scale operations and local skills development, particularly for women. A key element in any promotion

strategy aimed at fostering agro-industrial linkages is the decentralized development of the requisite physical and institutional infrastructure.

14. The globalization of industrial production and investment, primarily driven by private sector investment flows, offers great potential for accelerating national development processes and creating productive employment through the transfer of technology and skills and access to foreign markets. It is essential, however, that these external development stimuli be effectively linked to domestic capabilities and needs. Specifically, efforts should be strengthened to achieve a more even regional distribution, both between and within countries, of the technology and investment flows to developing countries.

15. Socially sustainable development requires continuous efforts in human resource development in terms of generating and upgrading a broad range of skills. This applies in particular to industrial development where rapid market and technology changes impose frequent adjustment and restructuring requirements often with particularly severe implications for female labour. Coping with these challenges without creating additional unemployment will only be possible through broad-based education and training efforts to fully utilize human capabilities. Specifically, this would require a strong component of empowerment and personal development with a view to offering true opportunities and options for human fulfilment.

III. ACTION REQUIRED OF THE BOARD

16. The Board may wish to stress the particular importance of industrial development in creating and strengthening the productive capacities required to ensure socially sustainable development and emphasize the significance of intersectoral linkages through which industry provides critical supply and processing functions for other economic and social sectors, notably agriculture, services, health, education, housing and infrastructure. The Board may also wish to take note of the close involvement of UNIDO in the preparatory process for the World Summit for Social Development.